## **BUDGET RESOLUTION/Unified Budget Surplus Requirement**

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1996-2002 . . . S. Con. Res. 13. Dorgan motion to recommit with instructions.

## **ACTION: MOTION TO RECOMMIT REJECTED, 40-60**

SYNOPSIS: As reported, S. Con. Res. 13, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from lower debt service payments (an estimated \$170 billion) will be dedicated to a reserve fund, which may be used for tax reductions after enactment of laws to ensure a balanced budget. Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and more than 100 other Federal programs, agencies, and commissions will be eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

**The Dorgan motion to recommit** the resolution to the Budget Committee would instruct the Committee to report the resolution back with budget surpluses in each of fiscal years 1996 through 2002 that are equal to the projected Social Security surpluses for those years.

The motion was made after all debate time had expired. However, a statement on the motion was added to the record, and some statements on the subject of a unified budget were made prior to the offering of the motion. Also, by unanimous consent, 1 minute of time was allowed on each amendment for explanatory statements before each vote.

## **Those favoring** the motion to recommit contended:

We invite our colleagues to turn to page 7 of this budget resolution, which informs us that the deficit will be \$114 billion in 2002. This budget is not in balance, as our Republican colleagues claim. They probably did not like including this number, but they were

(See other side)

YEAS (40)				NAYS (60)			NOT VOTING (0)	
Republicans (0 or 0%)	Democrats (40 or 87%)		Republicans (54 or 100%)		Democrats (6 or 13%)	Republicans (0)	Democrats (0)	
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required to by law. Section 13301 of the Budget Enforcement Act appropriately forbids Congress from including the Social Security surplus in budget calculations. Social Security funds should be segregated from all other Federal funds because they are being collected only for Social Security recipients. Right now huge surpluses are being generated, because in the near future outlays are going to outstrip receipts. If we spend those surpluses now, we will not have money to pay future retirees, because not enough new revenue will be coming in. Nevertheless, our colleagues are claiming this budget is in balance in the year 2002 because they are using that year's Social Security surplus to hide the \$114 billion deficit.

The Dorgan motion would demand a more honest approach to the budget. It would require additional deficit reduction so that Social Security surpluses in 2002 and in every year until then would not be used in balanced budget calculations. Some Senators seem to believe this requirement is too difficult to achieve, but we believe that Senator Dorgan has already demonstrated how it can be done. During Budget Committee deliberations, he proposed an additional \$800 billion in deficit reduction measures that could gain Democratic support. If those reductions were combined with the reductions already in this resolution, and if the \$170 billion slush fund that this resolution sets up for tax cuts for millionaires were eliminated, then the budget could be truly balanced. We urge our colleagues to seize this opportunity to have a real balanced budget by voting in favor of the motion to recommit.

## **Those opposing** the motion to recommit contended:

The budget resolution before us is in full compliance with the law. Further, as a unified budget, which measures all cash flow (the most important accounting measure for a business), this budget is in balance. Most importantly, it is balanced because it restrains spending instead of increasing taxes. This fact makes it unique among other past efforts to balance the budget, and it is this fact that will make it succeed. We appreciate some Senators' zeal in asking for even more spending cuts, but we doubt that further cuts would prove very popular, considering the rhetoric we have heard from Democrats on the cuts that are already in this resolution. We think that getting the budget in balance is accomplishment enough and is all that is possible; accordingly, we oppose the motion to recommit.